

# Contractor Purchasing System Review

## Workshop Overview

January 11, 2000



*Deputy Director, Supplier Risk  
Management  
HQ DCMC*



XXI

Status as of September 1999

**Barriers Removed-  
FAR/One Book  
Changed**

**Business  
Improvements-  
Implement Risk  
Assessment Mgmt  
Compliance**

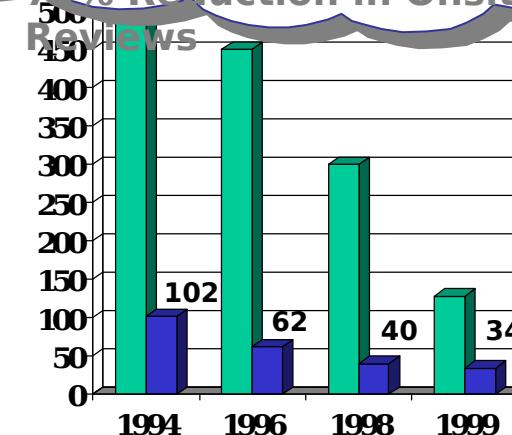
**Streamlined Processes  
- CPSR Guidebook  
Updated**

# Results of Changes

50% Reduction in Review Man hours

67% Personnel Reduction

74% Reduction in Onsite Reviews



#CPSR Reviews  
#CPSR Personnel

Insight Vice Oversight

- Taking Maximum Advantage of FAR Changes
- All Reviews Tailored Based on Risk
- Maximum Use of Available Data
- Best Value Practices Encouraged



XXI

# Previous Regulatory Changes

- **Reduced subcontract consent requirement** (FAR Case 95-011)
- **CPSR threshold raised from \$10 to \$25 Million** (FAC 90-37)
- **Three year requirement for CPSR changed to a risk assessment to determine if CPSR is needed** (FAC 90-42)
- **Eliminated CPSR review Part 12 (Commercial) buys** (FAC 90-42)
- **Revised CPSR instructions to risk based** (DAC 91-11)

DOD  
CAS PATDCMC  
CPSR PATDCMC  
CPSR PAT

OFPP

DOD CPSR PAT



# One Book Consolidation

- **Consolidation of CPSR and Consent to Subcontracts Chapters**
  - Make DCMC policy (One Book) more consistent
  - Subjects are next to each other in FAR
  - Related subjects in same chapter in the One Book
- Directive Language out of CPSR Guidebook
- New Chapter consistent with Supplier Risk Management Approach
- Risk-Matrix Developed
- Training Matrix TBD



XXI

# CPSR Workshop Handouts

- **CPSR Ltr (1)1.doc**
- **CPSR\_discussion\_outline.doc**
- **CPSR\_Supplier\_EC\_Pilot\_Rev2.ppt**
- **CPSR\_Workshop\_Overview.ppt**
- **EC\_chapter1.htm**
- **FW Part 12 Rule.rtf**
- **Newchapter-5.doc**
- **SRMFORM.doc**
- **HUNTCPSR1.doc**



XXI

# Discussion Paper Topics

- **Electronic Commerce**
  - **Encourage Contractor Use**
  - **Electronic Commerce Trip Report**
- **Credit Cards**
  - **Applicability**
  - **Huntsville Trip Report**
  - **Regulation Review**



XXI

# Discussion Paper Topics

- **Commerciality**
  - **Compendium of view-points**
  - **DCMC-Chicago Interpretation**
- **Commercial Determinations for Subcontr**
  - **Proposed AR Rule**



XXI

# Discussion Paper Topics

- **Price Analysis**
  - **Document Sufficiency**
  - **Flow of Requirements**
- **Corporate-wide CPSRs**
  - **Raytheon Example**
  - **Assign Lead Analysts**



# What to Expect This Week

- Hard work and long hours
  - Software / Hardware
  - Policy-ware
- Peer Interaction
- A forum to learn and exchange ideas
- A chance to straighten out the HQ & District Gu
- Fun